# City of Madison Heights

**City Hall Municipal Offices**
300 W. Thirteen Mile Road
Madison Heights, MI 48071

**Department of Public Services**
801 Ajax Drive
Madison Heights, MI 48071

**Fire Department**
31313 Brush Street
Madison Heights, MI 48071

**Police Department**
280 W. Thirteen Mile Road
Madison Heights, MI 48071


May 13, 2008

Budget Message
Fiscal Year 2008-09 Proposed Budget

Honorable Mayor and Council:

Pursuant to Section 8.2 of the Madison Heights City Council Charter and the Michigan Uniform Budget Act, P.A. 621, transmitted herein are the consolidated Budget for the Fiscal Year (FY) beginning July 1, 2008 and the Five Year Capital Improvement Plan for FY 2008-13. The Budget provides the annual financial plan for management of the City's affairs. The document compiles the financial data needed to support the City of Madison Heights' comprehensive decision-making and policy development process. This Budget is based on the Organization's Mission Statement, Goal Plan, the Five Year Capital Improvement Plan, the City's financial policies, the past City Council direction, and City Manager and departmental review of operations.

The total budget equates to $54.1 million and represents a decrease of $415,000 or 0.8% under the prior year. The process was difficult this year given current and future financial challenges.

## Future Financial Challenges

The sources of current and future financial challenges come from many sources including those local, statewide, nationally and even on a global basis.

As a result of the weak American dollar and the growing international demand, oil prices continue to climb, approaching $108 per barrel. Increasing oil prices have led to a $54,000 increase in the Budget for gasoline and an 8% reduction in the funding the City receives through the State of Michigan Gas and Weight Tax. To address this challenge and to improve fleet economy, the Police Department and the Motor Pool Division have been looking at the feasibility of moving the patrol car fleet to more economical models. In addition, the new Budget calls for the City to evaluate the possibility of integrating some hybrid cars into our fleet and the impact of nitronizing vehicle tires to improve gas mileage.

As the national economy has begun to slow down over the last year and revenues from the Federal government begin to dip, the City continues to brace itself for further cutbacks in federal grants. As a result in cutbacks to the Community Development Block Grant Fund, the City has been forced to shift positions formerly funded through this grant to the General Fund and the Housing Commission Budget.

Since October 2007, the Federal Reserve cut federal funds rate 3%, from 5.25% to 2.25%, marking the biggest reduction since 1990. This cut in rates negatively impacts the interest rate the City can earn on invested funds, reducing General Fund interest income $116,000 or 18%.

On a statewide basis, the decline of the Big Three American auto makers, as typified by a loss of 166,000 jobs in vehicle production employment since 2000, has hurt the Detroit Metropolitan economy severely. A combination of high unemployment and credit woes in the banking industry has resulted in a significant increase in home foreclosures. In Madison Heights, annual foreclosures have climbed from 2 in 2000, to 60 in 2003, to 108 in 2005, and to 203 in 2007 (2.03% of single family housing units). This slowdown in the real estate market has resulted in reduced assessed values by 3.4% in the last year, resulting in total property tax revenues being constrained to a 2% increase in the Fiscal Year 2008-09 Budget.

To address these new challenges affecting property tax revenues, which are the number one source of General Fund revenue, the City has initiated three new efforts. First, as recommended by the City Assessor, we have moved from a two-year to a one-year sales study for the purpose of ensuring assessed values, which will represent current market prices. The Assessing Department estimates that in 2008, this will save Madison Heights taxpayers $249,400.

Second, the Cities of Madison Heights and Hazel Park, our local school districts, businesses and the Madison Heights/Hazel Park Chamber of Commerce have joined forces to hold the first Joint Community Open House scheduled for April 20, 2008. Prospective home buyers and families who receive special incentives and coupons will have an opportunity to meet local bankers and lenders, and visit and tour local City and school facilities. In addition to these community assets, a large number of homes for sale will be open in the two communities on that day.

Finally, in an effort to help promote housing opportunities, eliminate vacant homes, combat blight and revitalize the neighborhoods, the City is initiating involvement in the new Federal Department of Housing and Urban Development (HUD) program known as the “Dollar Home Initiative”. Under this program, the City will have an opportunity to buy foreclosed HUD homes for $1, remarket those homes and use any proceeds generated from the sale to promote local housing and community development activities.

An additional challenge, and one the City has faced over the last seven years, is dealing with the significant reductions in State Share Revenues, statutory and constitutional limits imposed on property tax and reduction in state services to local communities. Recently, the State of Michigan Senate Fiscal Agency issued a report warning of a possible $134 million decline in anticipated revenues in the current State budget year and a reduction of $250 million in their next budget year. To help the city prepare for the uncertainty of the State’s actions regarding State Shared Revenues, the staff has discounted the Governor’s Budget Proposal of a 4% increase in Revenue Sharing and programmed a freeze in projected revenues for the new Budget Year.

On the expenditures side, the City continues efforts to build a more efficient workforce by reducing personnel and saving money by programming a wage freeze as part of the upcoming labor negotiations for the new agreements starting July 1, 2008. The City Council has also analyzed its insurance needs and has decided to accept a higher risk per claim, raising the City’s retention level from $150,000 to $250,000 per incident resulting in premium savings of $206,000 or 25% in the coming Budget. Despite these challenges, the City has been able to continue to progress by setting goals.

## City Goals

The City has set as a Budget Goal that a high level of basic services will be maintained with sufficient staff and appropriate equipment and facilities for fire suppression, emergency medical service, police, public service programs, community and economic development, leisure and cultural services, and support activities. On November 26, 2007 the City Council adopted the following Mission Statement:

***To provide high quality services to residents and businesses in the most efficient, effective, and ethical manner possible so as to maintain and enhance, where possible, the public's health, safety and quality of life.***

Listed below are some of the most important initiatives, which are incorporated into this year's budget and serve to support the City's Mission Statement and the 2008-09 Goal Plan.

Health Related Initiative

The budget includes both the continuation of important health related programs, but also the initiation of two new program improvements in this area.

- The City will complete its fourth and final year of removal of dead and diseased trees from City parks and rights-of-way of those trees affected by Emerald Ash Borer ($85,800).
- In addition, the City-wide Clean Up Day at the Department of Public Services will be expanded to include a new special household hazardous waste drop-off option for residents ($25,000).
- Finally, as called for in the City Goal Plan on a self-supporting basis, the City will plan, organize, recruit volunteers, coordinate and stage at the Suarez Nature Center a community wellness oriented 5-kilometer run and 1-mile run/walk.

Public Safety Related Initiatives

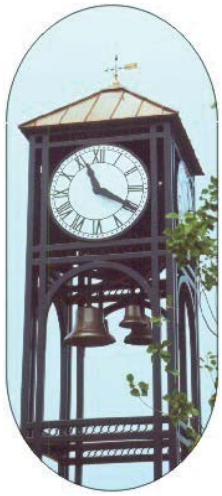
True to the City's Mission Statement, the Budget includes $16.4 million or 50% of all General Fund expenditures on Police and Fire Department operation. The Budget also provides funding for 110 positions for these two public safety departments, which equates to 57% of the General Fund workforce. The Budget also incorporates a number of city goals including:

- To support current efforts for fire service resource sharing with other communities in Southeast Oakland County, analyze, design, bid, procure, implement and upgrade internet based dispatch alerting system to facilitate structural fires automatic mutual aid runs and other response efforts ($28,000).
- Working with Oakland County Emergency Response and Preparedness, replace and relocate the current outdoor warning siren serving the middle one-third of our community with a new unit with an appropriate backup power supply and long-term maintenance provided by the County ($20,000).

- In an effort to maintain existing ambulance rescue service adjust current transportation rates to more fully cover actual cost ($44,000).
- With input from employees, analyze, specify, budget and implement improved physical security features at City Hall (funded through existing building accounts).
- Develop multi-year plans, estimate cost, explore outside funding, solicit bids, purchase and install vertical traffic sign reflectors to enhance vehicle and pedestrian safety ($18,000).

- To enhance safe ingress to egress to the Senior Citizen Center, design and implement a new drive (and required gate/fencing) connecting the rear parking lot to the Southeast Oakland Community Resource Recovery Authority drive at the signalized intersection at Dartmouth and John R ($20,000).

Quality of Life Related Initiative



A total of $300,000 has been allocated from the General Fund Designation for Parks Improvements. These park improvement projects have been on hold for years and represent top priorities based on the Parks and Recreation Master Plan. The projects are scattered across a number of parks and include Civic Center Park reconstruction of a parking lot ($63,000), Youth recreation project ($40,000), Rosie's Park parking lot resurfacing and expansion ($57,000), seed money for the Red Oaks Trail ($125,000), and tree replacement at Rosie's Park and Suarez Woods ($15,000).

Ten years ago, the City created the Downtown Development Authority in an effort to correct and prevent stagnation and deterioration within our existing south end business district, eliminate blighting influences and to undertake projects which will encourage businesses to locate and remain, and the people to shop in this area, enhancing the quality of life for the surrounding neighborhoods. As part of the Budget, this effort continues with new funding for the sign grant project ($20,000), a new business uniform address sign project ($10,000), a new façade improvement grant program ($20,000), alley improvements ($100,000), and a property acquisition program ($50,000).

Resource Related Initiative

To fulfill the City's Mission and to accomplish our annual goals, the City makes use of two major resources, those being our infrastructure and our most important asset, our employees. Through the City's Five Year Capital Improvement Plan and Annual Budget Process, the City maintains its physical assets at a level adequate to protect our capital investment and to minimize future maintenance and replacement costs.

This year's Capital Outlay budgets will continue to provide for the adequate maintenance and orderly replacement of capital infrastructure and equipment. On August 6, 2006, the voters of Madison Heights approved by an overwhelming margin millage Proposals "R-2" and "V-2." The "R-2" program will continue a program started in 1996 and provides funding of $2.4 million for 10 years to carry out the City's comprehensive residential street repair and reconstruction program. This road improvement millage, when combined with water and sewer fees and special

assessments will provide for new concrete streets, approaches, sidewalk installation, connection to the storm water drainage system and water main replacement.

The FY 2008-09 Budget includes the most aggressive residential improvement program in the City's history ($4.4 million). The major components of this program include reconstruction of new roads ($2.8 million), water main replacement ($538,000), sidewalk replacement and new installation ($320,000), and road repair and maintenance ($693,000).

In an effort to balance funding limitations and the backlog of commercial and industrial roads in need of repair, we have modified the existing program to allow for development, design, procurement and construction of a mill and asphalt overlay with appropriate joint and base repairs for these high priority road needs. A total of $1.2 million has been budgeted for the City's northeast industrial district including North Avis, East Avis, Edward and Mandoline. These projects also include $208,000 for the installation of new sidewalks, funded through a special assessment district.

Over the last two years, as directed by City Council, the Budget has put an emphasis on building repair needs, which if not addressed, could result in more substantial repair, building system failure and/or increased liability. A total of $310,000 is planned for City Hall projects including a new roof, network computer cabling and door replacements. At the District Court, the existing deteriorating loading ramp would be renovated ($25,000). As part of a multi-year program to install fire protection in all city buildings, $100,000 is programmed for a water main extension and a fire suppression system at the Senior Citizen Center.

In an effort to continue to equip our employees with the necessary vehicles to support service provisions and fulfill our organization mission, $320,000 is programmed in the Budget for critical vehicle replacement. The "V-2" Vehicle Millage funds an ambulance rescue, code enforcement vehicle, parks pick-up truck and two senior citizen transportation vans ($160,000). General Fund Vehicle Replacement Designated Funds are being used to replace one administrative vehicle, a utility maintenance car, two riding mowers and a special events trailer ($70,000). The Police Drug Forfeiture Funds will be used for replacement of two patrol vehicles, one undercover vehicle and the purchase of two motorcycles ($90,000).

The City's most important resource is our highly skilled, trained and motivated workforce. The Budget includes $24.7 million to support our 196 full-time and 194 part-time positions. To meet past and current financial constraints the city has downsized its full-time workforce by 53 positions or 22% over the last 15 years. As part of the current Goal Plan, City Council has adopted a plan to survey comparable employers, develop meaningful cost proposals, and successfully negotiate collective bargaining agreements with the City's seven bargaining units when the current bargaining agreements expire on June 30, 2008. To meet the future financial challenges, no general wage increase has been included in the Budget and only those mandatory employee benefits premium increases obligated under existing labor agreements have been programmed.

**Future Funding Strategies**

This year's Budget was balanced while maintaining high priority basic services without employee layoffs or significant reductions to department operations. To prepare the City to meet the

continuing challenge of constrained resources and unfinanced needs in future budgets, the City will strive for:

1. Diversification of Revenue Sources - The City should attempt to become less reliant on property taxes and state shared revenues.
2. Review Wage and Benefit Level - The majority of the City's General Fund resources are used to support employee wages and benefits. The City should resist proposals to increase the number of employees and search for methods to constrain the increase in benefit costs. The hiring review and freeze is planned to continue to create vacant positions that could be eliminated in future budgets, avoiding the hardship of layoffs; however, future unfilled vacancies could lead to service reductions.
3. Alternative Service Delivery - The City should continue to review programs to determine options regarding productivity improvements, cost effective alternatives, consolidation, contracting, reduction, or elimination.

**City Council's Changes to Proposed Budget**

After the Public Hearing on the FY 2008-09 Proposed Budget, City Council approved the following changes to the Proposed Budget's General Fund:

1. Restored funding reductions ($3,019) for Outside Agencies to the FY 2007-08 levels.
2. Approved $40,000 for a youth recreation project to be determined after review and recommendation of the Parks and Recreation Advisory Board. The new project would replace the proposed Rosie's Park bike motor cross and climbing rock projects.

To reflect these changes the General Fund Revenue was increased $3,019 to cover the increase in Outside Agencies expenditures. The General Fund Parks Division Budget remains the same pending review by the Parks and Recreation Advisory Board and City Council direction.

**Conclusion**

In closing, I'd like to acknowledge the outstanding efforts of the Director of Administrative Services, Melissa Marsh and Executive Assistant Marilyn Haley, as well as the Finance and City Manager's Office staff for their hard work and efforts during this year's Budget process. The City's Department Heads and staff are also to be commended for their team effort in support of this process and their continued commitment to service excellence.

I'd also like to thank the Mayor and City Council for their leadership and support in planning the financial operations of the City in a responsible and progressive manner during this difficult financial time. I look forward to next year and our efforts to bring even greater success to our community.

Respectfully submitted

Jon R. Austin

Jon R. Austin

# EXECUTIVE SUMMARY

# FY 2008-09 PROPOSED BUDGET

## Future Financial Challenge

Over the last seven years, the City has faced growing financial pressures resulting from the reduction in State Shared Revenues, limits on property tax revenues and the rising costs of employee fringe benefits.

The City's General Fund Budget is $32.9 million for FY 2008-09. This represents an increase of $400,000 or 1.2 percent from the FY 2007-08 Amended Budget.

## General Fund - Revenues

Total revenues are projected to be up $196,332 in the Proposed Budget as compared to FY 2007-08. Most of the change in General Fund revenues can be highlighted by looking at five areas, three of which increased and two that remained the same.

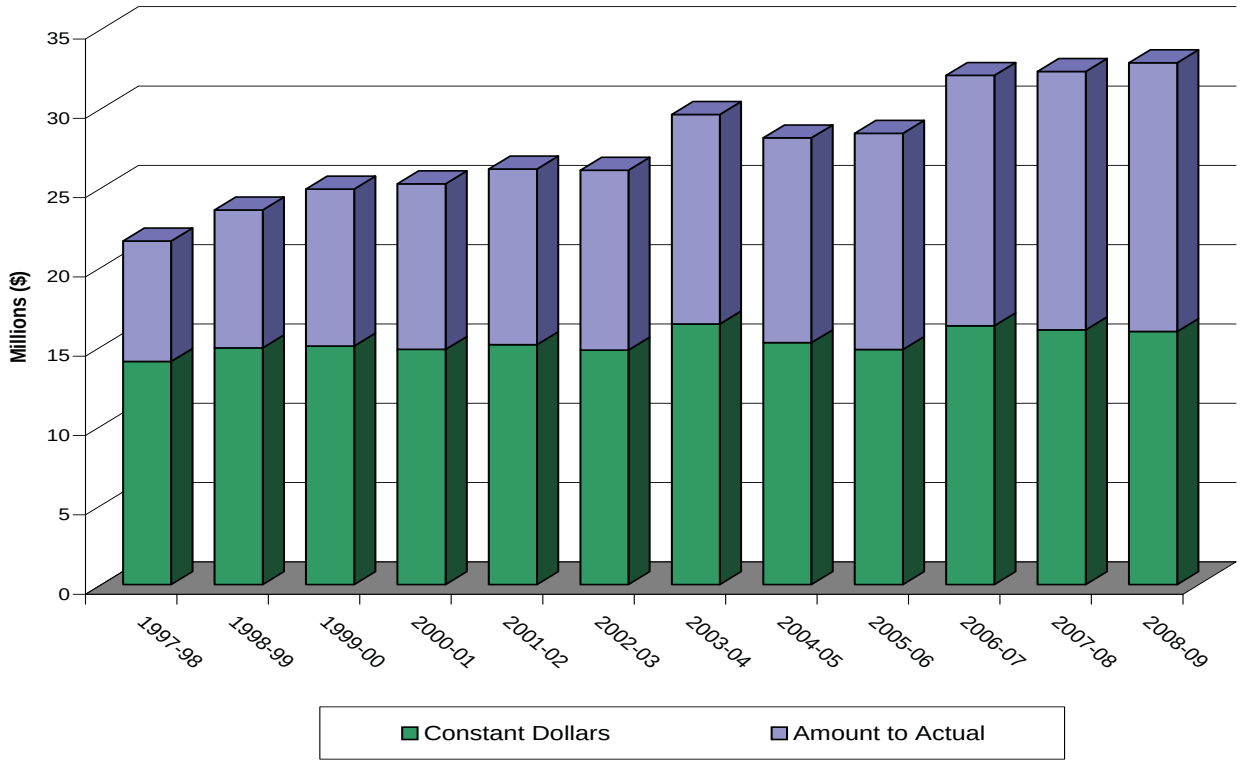
An increase in property tax related revenues of $451,000 or 2.0% was the most significant change in the Budget. Tax on real property should increase by 1.2%, while personal property tax (commercial and industrial machinery, fixtures and equipment) continued to struggle, falling by 0.1%.

Given last year's battle between the Governor and the State Legislature and the economic slowdown, State Shared Revenue is difficult to project. Under the Governor's Proposed Budget, she has included a 4% increase. Due to the uncertainty of the State's decision (Sales Tax Constitutional $2.1 million and Sales Tax Statutory $365,000), no increase in Revenue Sharing is programmed.

Our third highest source of General Fund revenues, Court revenues, is projected to be down $124,000 compared to current budget or $1.7 million. To keep pace with the increase in personnel, fuel and medical supplies costs, for the first time in three years, ambulance rescue fees will increase providing an additional $57,000. There are no significant user fees and charges increases planned for the new year.

## General Fund - Expenditures

Factoring in the effects of inflation (change in the Detroit Area CPI-W), the FY 2008-09 Budget decreased 0.7 percent in constant dollar terms when compared to the FY 2007-08 Budget.




Constant dollar expenditures are calculated by adjusting actual expenditures for the Detroit Area Consumer Price Index - Workers (CPI-W) using the Bureau of Labor Statistics' 1982-84 base year. In FY 1997-98, the City began to receive additional revenue from the voter-approved Proposals "R" and "V".[1] The increases from FY 2002-03 to FY 2003-04 are due to the restoration of the fire-damaged Department of Public Service building. The substantial drop from FY 2003-04 to FY 2004-05 relates to the State's cuts in shared revenues, resulting in a five percent reduction in the City workforce and implementation of the Council's Goal Plan related budget measures. The small increase in actual expenditures in FY 2008-09 is due to the $805,000 use of designated fund balance to be used for deferred building and park projects and vehicle purchases.

Total expenditures for the FY 2008-09 Proposed Budget are down $415,000 or 0.8%. Although it was very difficult again this year, the City did succeed in maintaining the high priority basic services, addressing for the Council's FY 2008-09 Goal Plan and avoiding layoffs of personnel.

1 "R" to fund neighborhood roads and "V" to replace vehicles and major equipment.

Given the financial constraints and the fact that 67.8% of the General Fund is comprised of personal services expenses, the City was forced to focus on employee compensation to keep expenditures down.

Given that all labor agreements expire on June 30, 2008 and negotiations are starting, the Budget includes a general wage freeze but includes the current automatic seniority steps and related longevity payments. We have assumed employee benefits at current labor agreement levels, projected rate increases between zero and forty-six percent for next year.

The Proposed Budget does include a small overall workforce reduction including three part-time positions at a savings of $29,000.

During this fiscal year, in the Assessing Department was the planned retirement of the Deputy Assessor/Personal Property Tax Auditor. After the retirement, the City moved to contract services for 50 or more personal property tax audits per year, which are currently being completed as part of the role as Deputy Assessor's duties. This change will result in the reduction of one of four Assessing Department positions and a projected annual savings of over $35,000.

Recently, the Library completed a detail survey of patrons' utilization to evaluate staffing with needs by day of week and hour of day. As a result of this review, it was determined that part-time hours could be reduced by 780 hours per year through a realignment of work schedules. This change in hours will generate a savings of $8,200 next year.

Next year's calendar includes three elections, the State Primary on August 8, 2008, the Presidential Election on November 4, 2008 and the School Elections on May 5, 2009. At a normal combined School or City election, the City would hire 12 precinct captains and 60 election workers. Based on State Election law, we are not allowed to combine precincts' staff that are physical voting locations in the same room for State and Federal elections, mandating us to add staff. In addition, the State Primary and to a greater extent, the Presidential Election draws greater voter turnout. Based on these factors, the Budget includes four additional captains and 12 workers for the Primary; and four captains and 17 workers for the Presidential Election at a total of $13,600.

As a point of reference, in addition to the positions listed above, the City has eliminated 25 full-time and 80 part-time positions over the last five years. The departments have worked hard to maintain the programs by stretching staff's resources to provide all existing services at or near the same levels that have been provided in prior years. Based on the measures outlined above, wages will increase 0.3% and total compensation will be up 1.9% or $416,000 in the Proposed Budget.

In terms of capital outlay, the Budget restricts spending to three basic areas: $805,000 in building improvements, deferred parks maintenance, technology improvements and vehicle replacements funded through designated fund balance; $181,000 funded through dedicated millage sources including Proposal "V" and Solid Waste (new drive for the Senior Center) Millage; and the remaining $70,000, which funds technology to improve service delivery, and basic Library materials.

**General Fund - Fund Balance**

The Proposed Budget includes the use of $805,000 in Designated Fund Balance. Over the last four years, the City budgeted $100,000, $100,000, $200,000 and $601,000 respectively from Fund Balance to help maintain programs and service deliveries. Starting in FY 2007-08, a different approach is planned that links the use of Fund Balance to specific projects of a one-time non-continuing nature.

As approved in 2007-08 Goal Plan, the Budget continues the effort to address our building repair needs, which if not addressed can result in more substantial repair, building system failure and/or increased liability. A total of $375,000 is budgeted for building projects that include: City Hall roof replacement ($210,000); replacement of four doors at the west entry ($12,000); handicap accessible slider doors at the north and south entrances ($28,000); District Court loading ramp repairs ($25,000); and a new fire suppression system for the Senior Center ($100,000). In addition, the outdated City Hall computer cable ($60,000) will be replaced through the technology improvements fund designation. Even after these scheduled building improvements, a balance of $125,000 will remain as seed money for future unforeseen building repair issues.

A total of $300,000 has been allocated from the General Fund Designation for Park Improvements. These Park improvement projects, having been on hold for years, represent top priorities based on the Parks and Recreation Master Plan (approved by the Parks and Recreation Commission and City Council) and staff identified maintenance needs. The projects are scattered across a number of parks and include: Rosie's Park phase two funding of the resurfacing and expansion of the Farnum parking lot ($57,000); upgrade of bike motor cross track/installation of a climbing rock ($40,000 including $10,000 from the Friends of Madison Heights Youth); Civic Center west parking lot (phase III) replacement ($63,000); Read Oaks pathway construction phase I ($125,000); and tree replacement at Rosie's Park and Suarez Woods ($15,000). After these program improvements are funded, a balance of $200,000 will remain for future projects.

Given the reduction in the Proposal "V-2" by one-half and other revenue constraints, the City has been forced to identify other sources of funding for vehicle replacement. The Budget includes an appropriation of $70,000 to fund the replacement of an administrative vehicle, a utility maintenance cart, two mowers and a special events trailer.

## All Funds Overview

The combined FY 2008-09 Budget for the City's 11 appropriated funds decreased $415,000 or 0.8% to $54.1 million as compared to the FY 2007-08 Amended Budget.

### TOTAL APPROPRIATIONS SCHEDULE

### ALL FUNDS

### FISCAL YEAR 2008-09

| Fund Name | Actual 2006-07 | Estimate 2007-08 | Budget 2008-09 | | Increase (Decrease) FY 2007-08 to FY 2008-09 | Percent Change |
|---|---|---|---|---|---|---|
| General Fund | $ 31,770,407 | $ 32,488,879 | $ 32,892,354 | | $ 403,475 | 1.2 |
| Major Street | 2,250,669 | 2,055,007 | 2,241,706 | | 186,699 | 9.1 |
| Local Street | 3,147,129 | 4,288,227 | 4,462,680 | | 174,453 | 4.1 |
| Parks Maintenance and Improvment | 0 | 0 | 7,763 | | 7,763 | 0.0 |
| Downtown Development Authority | 109,319 | 452,592 | 306,389 | | (146,203) | (32.3) |
| Police Drug Forfeiture | 148,969 | 175,000 | 134,000 | | (41,000) | (23.4) |
| Community Improvement | 1,749,458 | 2,204,200 | 1,896,701 | | (307,499) | (14.0) |
| Special Assessment Revolving | 1,174,845 | 846,474 | 1,204,761 | | 358,287 | 42.3 |
| Fire Station Bond Fund | 381,810 | 392,292 | 397,173 | | 4,881 | 1.2 |
| Fire Station Construction | 17,978 | 46,701 | 0 | | (46,701) | (100.0) |
| Water & Sewer Fund | 7,773,237 | 10,410,857 | 9,420,868 | | (989,989) | (9.5) |
| Motor & Equipment Pool | 1,063,424 | 1,145,473 | 1,126,708 | | (18,765) | (1.6) |
| **Total Appropriations** | $ 49,587,244 | $ 54,505,702 | $ 54,091,103 | * | $ (414,599) | (0.8) |

* Net Budget is $48.3 million excluding duplicate inteerfund transfers and charges.

Major Street Fund

The Major Street Fund's purpose is to account for expenditures associated with the maintenance needs of the 21.5 miles of the major street road system. The Budget includes four construction projects: installation of a sidewalk on the south side of Twelve Mile under I-75 ($150,000 with $100,000 grant from Oakland Tri-Party); joint and crack sealing on Eleven Mile Road from John R to I-75 ($75,000); industrial subdivision road mill and overlay on North Avis, East Avis, Edward, and Mandoline ($1.2 million including $288,000 special assessed sidewalks) and a contribution to traffic signal upgrade ($30,600).

Local Street Fund

The Local Street Fund's purpose is to account for expenditures associated with the maintenance needs of the 73.37 miles of the local street road system. On August 6, 1996, the voters in Madison Heights approved the ten year Millage Proposal "R-1" by an overwhelming margin. The "R-1" Road Millage Program has provided the necessary funding to carry on a ten-year comprehensive residential street repair and reconstruction program. On August 8, 2006, voters approved Millage Proposal "R-2" for an additional ten years. The "R-2" millage will fund ten years of road improvement projects include new concrete streets, approaches, and necessary sidewalk repair and storm sewer installation. This year's neighborhood projects are funded at the $3.6 million level and includes "R-1" funded projects for sectional concrete replacement on Spoon and Sherry north of Twelve Mile ($600,000) and crack and joint sealing in two neighborhoods: the first one south of Lincoln and west of John R, and the second bounded by Westbrook, Dequindre, Connie and Alden ($80,000); "R-2" funded reconstruction of Spoon, Parkdale, Millard, Barrington/Northeastern and Girard ($2.9 million) and a contribution for ramps and corner squares for Year 6 of the Sidewalk Replacement Program ($20,000).

Parks Maintenance and Improvement Fund

The Parks Maintenance and Improvement Fund was established with a November 2007 one-time payment of $850,000 from the George W. Drainage District in exchange for the City's agreement to assume responsibility for the operation and upkeep of the new 10-acre Red Oaks Soccer Complex. The projected revenues for the budget year include $36,000 in interest income from the investment of the original payment. The revenues and accumulated funds can be used for any Madison Heights park system improvement.

Downtown Development Authority Fund

The Downtown Development Authority (DDA) was established to correct and prevent stagnation and deterioration within the south-end commercial business district. The Authority has established boundaries that include properties abutting John R Road from Gardenia to Ten Mile Road and Eleven Mile Road from I-75 to Lorenz. This property is primarily zoned and used for commercial and industrial purposes. The Authority's goal is to eliminate blight influences and undertake projects that will encourage new businesses to locate and existing businesses to remain in the area.

The Authority intends to develop programs to solicit commitment and investment from business owners to make improvements on private property that will serve the public purpose of enhancing the district. Financing of public improvements will be provided through the capture of incremental property tax revenues on properties within the District.

The FY 2008-09 Budget highlights include funding for: $15,000 to retain a contractor for maintenance of the greenbelt along John R and Eleven Mile Road; $40,300 (40%) contribution to the City's Economic Development Program; $20,100 (25%) contribution for a Code Enforcement Officer; $10,000 for a business sign grant program; $12,000 trash receptacle program; and $10,000 uniform building address signage; $20,000 façade improvement grants; $10,000 repairs to clock tower brick work; $100,000 alley improvements; and $50,000 property acquisition sinking accounts.

Drug Forfeiture Fund

The Drug Forfeiture Fund is used to account for revenues generated by drug forfeiture expenditures related to enforcement of drug laws pursuant to Public Act 251 of 1982. The Budget includes $40,000 for two patrol vehicles; and $20,000 for an undercover vehicle and $30,000 for two new motorcycles.

Community Improvement Fund

The Community Development Improvement Program is a federally funded division of the Community Development Department. This division is charged with the administration of the City's Community Development Block Grant and Housing Commission funds. Block Grant funds are used for such things as the home chore program, code enforcement, minor home repair and other similar projects that benefit low and moderate-income residents. The Home Chore Program will provide grass mowing and snow shoveling for needy seniors.

The City's Housing Commission funds are used to subsidize the rent for 287 low-income tenants. In addition, these funds provide assistance to low-income families in securing low interest and/or deferred home improvement loans.

Special Assessment Revolving Fund

The Special Assessment Revolving Fund is used for the financing of construction of commercial, industrial and residential roads, sidewalks and other City projects. Revenues are received from special assessment payments and interest income. On March 12, 2001, the City Council adopted a new sidewalk special assessment program that establishes a nine year program to address needed repairs and complete the sidewalk network. A total of $320,000 has been budgeted to support year six of the program for an area bounded by Twelve Mile, I-75, Ajax/Moulin and Dequindre. Also as part of the industrial road mill and overlay project, the City will be levying $288,000 in property owners' special assessments.

Water and Sewer Fund

The Water and Sewer Divisions of the Department of Public Service supports the activities of this Fund. The Divisions are responsible for providing water distribution and sewage collection for the City's residents and businesses.

Highlights for this year's Budget include: support of the Neighborhood Road Improvement Program with $538,000 programmed to replace watermains on Palmer, Tawas, East Barrette; Lorenz, Hales and Northeastern; $30,000 to replace commercial touch pad readers with radio devices; and $74,200 to replace two pickup trucks and a trailer for sewer television equipment.

Based on the analysis by the Finance Department of the Water and Sewer Fund Retained Earnings and projected Revenues and Expenditures, the City's water and sewer rates will be increased by 3.5% (no increase to the meter charge). The average quarterly residential water and sewage bill will rise to $108.62 (based on average 2,200 cubic feet of consumption).

Motor Pool and Equipment Fund

This Fund's operation is administered through the Motor Pool Division of the Department of Public Service. The Division is responsible for maintaining all City vehicles and related equipment, and coordinating operator training for the Department of Public Service. The Motor Pool also orders gasoline and diesel fuel and oversees work done on all emergency backup generators.

# 2008-09 GOAL PLAN

Each fall the City Department Heads, City Manager and City Council undertake a review of the overall City priorities and direction. Working through the months of November and December, the existing Goal Plan is reviewed, and new goal proposals are developed and evaluated. The process ends with the formal adoption of the organization mission statement, goals and strategic work plans.

Listed below is the 2008-09 Goal Plan followed by the recommendation to fund these goals in the FY 2008-09 Budget.

## Organizational Mission Statement

The Mission of the City of Madison Heights is to provide high quality services to residents and businesses in the most efficient, effective, and ethical manner possible so as to maintain and enhance, where possible, the public's health, safety and quality of life.

## Health Related Goals

A. Plan, organize, recruit volunteers, coordinate and stage at the Suarez Nature Center a community wellness oriented five kilometer and one-mile run/walk.

## Public Safety Related Goals

B. Investigate, determine specifications, bid, procure and install upgraded in-car police digital recorders aimed at improving quality of recorded images, storage, retrieval and duplication capabilities.

C. To support current efforts for fire service resource sharing with other communities in Southeast Oakland County, analyze, design, bid, procure and implement an upgraded internet based dispatch alerting system to facilitate structure fires automatic mutual aid runs and other response efforts.

D. Working with Oakland County Emergency Response and Preparedness, replace and relocate the current outdoor warning siren serving the middle one-third of our community with a new unit with appropriate backup power supply and long-term maintenance provided by the County.

E. With input from employees, analyze, specify, budget and implement improved physical security features at City Hall.

F. Develop multi-year plans, estimate costs, explore outside funding, solicit bids, purchase and install vertical traffic sign reflectors to enhance vehicle and pedestrian safety.

G. To enhance safe ingress to and egress from the Senior Citizens Center, complete negotiations, design and implement a new drive (and required gate/fencing) connecting the rear parking lot to the Southeast Oakland County Resource Recovery Authority drive at the signalized intersection at Dartmouth and John R.

**Public Safety Related Goals (cont.)**

H. In an effort to balance funding limitations and the backlog of commercial and industrial roads in need of repair, modify the existing program to allow for development, design, procurement and construction of a mill and asphalt overlay with appropriate joint and base repairs for these high priority road needs.

**Resource Management Related Goals**

I. In an effort to maintain existing ambulance rescue service adjust current transport rates to more fully recover actual costs.

J. To help address our service funding constraints, develop an employee incentive program aimed at soliciting and rewarding innovative ideas for increasing revenues, reducing expenses or becoming more efficient.

K. Seek out external bids to prepare, print, fold and distribute 16,000 property tax bills annually.

L. Survey comparable employers, develop meaningful cost saving proposals, and successfully negotiate collective bargaining agreements with the City's seven bargaining units when current agreements expire on June 30, 2008.

## GOAL PLAN IMPLEMENTATION

As part of this year's goal setting process, the City Council adopted a twelve part Goal Plan that supports the City's overall mission statement. Listed below are each of the City's citywide goals and related funding, where applicable, included within the budget to support these goals:

**A. Plan, organize, recruit volunteers, coordinate and stage at the Suarez Nature Center a community wellness oriented five kilometer and one-mile run/walk.**

Over the last five years, the City has initiated and expanded a very successful employee wellness program. Given society's increasing rates of obesity and health problems related to inactive lifestyles, the city is attempting to enlarge our wellness efforts to benefit the residents and businesses in the City of Madison Heights.

The first annual Healthy Heights 5-kilometer run, and 1-mile run and walk, has been scheduled for Saturday, April 19, 2008. The 5-kilometer run will start from the George W. Suarez Nature Center and route through the Red Oaks Golf Course, Madison Heights Senior Center property, John Page Middle School, a residential neighborhood and finish on the trails back at the nature center. The 1 Mile run/walk will be conducted entirely within the trail system in Friendship Woods.

To date, we have received approval for support from the Oakland County Parks and Recreation Commission and Lamphere Public Schools, in addition to a number of corporate sponsors who

will provide financial and advertising support for the event. The public information campaign is underway and includes announcements, flyers and listings on both the City and runner dedicated websites.

The event will be staffed with Wellness Committee and community volunteers at no cost to the City. The race has obtained independent insurance to protect the city from any liability. Although the initial goal is to break even, any additional funds above costs that are raised are scheduled to go toward employee related support programs.

**B. Investigate, determine specifications, bid, procure and install upgraded in-car police digital recorders aimed at improving quality of recorded images, storage, retrieval and duplication capabilities.**

The existing patrol car video system is based on VHS tapes and is reaching the end of its functional life span. Purchased in 2001, the existing tape system is prone to mechanical breakdowns, resulting in the need to shuffle assigned vehicles for the road patrol vehicles. The Police Chief has proposed a new digital video date (DVD) or hard drive captures system to improve the quality of the recorded images and provide improved methods of storage, retrieval and duplication.

The Michigan Municipal Risk Management Association has provided Risk Avoidance Program (AVP) grants for this type of equipment purchases in the past. The Department would actively pursue those grants to reduce cost of the purchase if the project again qualifies for funding. The plan includes replacing 15 patrol vehicles with in-dash car digital recorders at a projected cost of $6,500 per unit or $100,000.

As part of development of the new budget, the Police Chief has recommend that the city postpone the purchase of the in-dash car digital recorders for two years. The Department has indicated that higher priority projects like $75,000 for new in-car mobile computers, $38,000 for the purchase of support equipment for new 800-megahertz radio system and the purchase of two motorcycles at a cost of $30,000.

**C. To support current efforts for fire service resource sharing with other communities in Southeast Oakland County, analyze, design, bid, procure and implement an upgraded internet based dispatch alerting system to facilitate structure fires automatic mutual aid runs and other response efforts.**

The fire department is currently alerted to incoming incidents by a “Plectron” system that operates over a fire radio frequency. The current system has become dated, and during a recent breakdown it was discovered that the parts are becoming hard to obtain.

The Fire Department is recommending that the City move to a computer based Internet protocol, which allows greater flexibility in, set up and applications. New alerts will be transmitted from the police consolidated dispatch to the fire stations through fiber optic cables that are already in place for other type of communications. Under the new system, there would be a redundant wireless

backup to the fiber optic cables. The dispatch component could also be configured to operate from an alternative location, such as the police reserve office, in the case of emergency.

Given their recent efforts for fire service resource sharing in Southeast Oakland County, and the new automatic mutual aid for structure fires with the cities of Hazel Park, Ferndale, Pleasant Ridge and Royal Oak Township this type of system would provide additional benefits. A computer internet protocol based altering system would allow any of the mutual aid partners to dispatch through the same system. The system would also allow for fire apparatus tracking to determine availability for deployment. The Fire Chiefs of Ferndale, Hazel Park, and Royal Oak have indicated their willingness to consider a collective approach to this system. To date, area fire departments have started gathering vendor information and begun field visits to other locations that are making use of this type of system.

The projected $28,000 cost of the new dispatch altering system will be partially offset by the $300 a month phones charge, which will be eliminated as a result of not using these phone lines. The remaining balance in the Fire Stations Construction Fund will be used to finance this project.

**D. Working with Oakland County Emergency Response and Preparedness, replace and relocate the current outdoor warning siren serving the middle one-third of our community with a new unit with appropriate backup power supply and long-term maintenance provided by the County.**

The City of Madison Heights owns an outdoor warning siren that is currently located on the roof of the South Oakland County Resource Recovery Authority (SOCRRA) Transfer Station building. The siren is one of three in the city that is used to warn residents of approaching tornados. This is also the only siren in Oakland County that is not owned by the county government.

In the summer of 2007, the Oakland County Emergency Response and Preparedness Unit reported failure of the siren during a monthly test to the city. A maintenance technician inspected the siren and reported that the most likely cause of the failure was the power to the unit had been shut-off by SOCRRA. Oakland County no longer uses this siren model, which has been replaced elsewhere with an updated unit that has a back-up battery powered supply and a two-way radio that transmits a signal to Oakland County showing the operating status of the unit. The City's siren has been out of production since about 1990 and replacement parts are very difficult to locate. Additionally, the closing of the SOCRRA site as a transfer station has made access for maintenance problematic.

Currently Oakland County has a program whereby local units of government can purchase andupdated siren and the county will install it. The cost of the new siren is approximately $21,000 with the county paying 25% ($5,000) of that cost. The County will retain ownership of the siren and assume responsibility for maintenance of the unit. A $16,000 local match is scheduled to come from the Fire Stations Construction Fund. City staff has identified a location on the east side of the Senior Center property, which will be used for the new siren.

**E. With input from employees, analyze, specify, budget and implement improved physical security features at City Hall.**

In 2007, the city conducted training sessions for its employees on preventing violence in the workplace and diffusing hostile customers within a public sector setting. As a result of this training, a heightened awareness has been voiced by staff to look into improving personal and building security.

A committee has been formulated with a representative of each of the City Hall departments to analyze employee suggestions, prioritize measures and implement plans. At this point of time, staff will be concentrating on measures that can be funded within current budgetary amounts.

**F. Develop multi-year plans, estimate costs, explore outside funding, solicit bids, purchase and install vertical traffic sign reflectors to enhance vehicle and pedestrian safety.**

Historically the city has had a number of problem locations where street traffic control signs have been knocked down or where stop signs are typically ignored. As an experiment, the Traffic Safety Committee purchased vertical reflective strips that are mounted on the poles of existing signs.

The City Council requests that the staff to install these reflectors on all stop signs in the City. The cost to add a reflector to one sign is $19.50. The Department of Public Services has included in their Local Street Fund Budget a total of $18,000 to purchase reflective strips, which will be installed on a scheduled basis by the City workforce.

**G. To enhance safe ingress to and egress from the Senior Citizens Center, complete negotiations, design and implement a new drive (and required gate/fencing) connecting the rear parking lot to the Southeast Oakland County Resource Recovery Authority drive at the signalized intersection at Dartmouth and John R.**

In 2005, Madison Heights entered into a negotiated Oakland County Circuit Court settlement with the South Oakland County Resource Recovery Authority (SOCRRA). As part of the comprehensive agreement, SOCRRA granted the city the right to construct a new drive connecting the Senior Citizen Center rear parking lot to the main SOCRRA drive. This alternative route to John R at a traffic control signal intersection will greatly improve safety for those using the Senior Center.

In February 2008, the SOCRRA Board gave their final approval to the new easement agreement for driveway traffic. A budget of $20,000 has been allocated for the construction of the new concrete drive installation of fencing, a gate and the widening of the drive at the intersection with John R.

**H. In an effort to balance funding limitations and the backlog of commercial and industrial roads in need of repair, modify the existing program to allow for development, design, procurement and construction of a mill and asphalt overlay with appropriate joint and base repairs for these high priority road needs.**

The city has numerous commercial-industrial roads that are in immediate and future need of repair. The Capital Improvement Plan includes these roads in a prioritized list. Unfortunately, the need greatly outweighs the ability to pay for the necessary road improvements. Since 1999, the City has been successful in reconstructing seven of these roads through a combination of Major, Local, Community Development Block Grant, federal grants and Special Assessment District Funds. This success, however, has not kept pace with the need due to funding limitations.

A lack of funding limits the City's ability to provide even the necessary special assessment City match for full concrete reconstruction. Instead, staff proposes to construct an asphalt overlay selected commercial-industrial (C&I) roads, with appropriate joint and base repair, designed to meet current road standards. This program will allow priority C&I roads to be addressed for approximately one-third of the cost of the full concrete reconstruction, and will not eliminate the need for costly special assessments. While the asphalt overlays are expected to last approximately ten years, replacement will be a simple process of mill and resurfacing, at less cost than complete reconstruction. For FY 2008-09, the following overlay projects have been scheduled: North Avis, from 14 Mile to East Avis ($464,000); East Avis from North Avis to Dequindre ($344,000); Edward from 14 Mile to Mandoline ($116,000); Mandoline from Edward to North Avis ($294,000). In addition to the overlay portion, each project will include a sidewalk assessment to install the missing parts of the area sidewalk network.

**I. In an effort to maintain existing ambulance rescue service adjust current transport rates to more fully recover actual costs.**

The current ambulance transportation rates have been in effect since July 2005. Over the last three years, there have been significant increases in personnel and medical supply costs. Information from our ambulance billing company indicates that the major insurance companies are allowing payments for amounts higher than the city is currently billing.

As a result, the Fire Chief is recommending the following increase in charges: Advanced Life Support Transport from $525.00 to $600.00; Basic Life Support Transport from $325.00 to $375.00; Mileage Charge from $7.00 to $8.50; Oxygen Charge from $40.00 to $45.00; and new Defibrillation Charge of $50.

As a result of these rate increases and projected ambulance run volume, the City would net an additional $57,000 bringing total projected annual ambulance revenue to $407,000.

**J. To help address our service funding constraints, develop an employee incentive program aimed at soliciting and rewarding innovative ideas for increasing revenues, reducing expenses or becoming more efficient.**

Each year, the budget constraints on the City get tighter, leaving staff with the need to develop innovative ideas for increasing revenues, reducing expenses, or becoming more efficient. City employees are experts are their jobs. If there are efficiency or cost savings that can be found, the employees are typically in the best position to identify those. A suggestion program would provide

the opportunity for the entire organization, as well as the community at large, to benefit from innovative, creative solutions.

An employee-suggestion cost-savings program would enable and recognize staff who find innovative ways to reduce expenditures or improve efficiencies or effectiveness. Those suggestions that fit within the strategic goals of the City will be implemented; some suggestions will require additional research and some ideas will be rejected. Employees who submit ideas will receive feedback as to the status of their suggestion. Recognition will be provided for accepted ideas with possible awards for employees with the top-saving ideas.

**K. Seek out external bids to prepare, print, fold and distribute 16,000 property tax bills annually.**

Under state law, the City of Madison Heights is responsible for billing and collection of real and personal property tax for the State of Michigan, Oakland County, the Huron-Clinton Metropolitan Park Authority, the Suburban Area Rapid Transit Authority, Oakland County Intermediate School District, three local school districts and the City. After the millage rates are approved, the City prepares and mails over 16,000 bills annually.

The cost incurred by the City includes staff time, inventory of billing stock paper, printing costs, and postage charges. These costs range from $7,500 to $8,500 depending on the staff member who prints, folds and prepares final tax bills.

Oakland County currently offers a program through their print and mail center that will print and mail a city, village, and township's property tax bill at a bulk rate offering. They currently have a large number of communities utilizing these services and processing over 100,000 tax bills per year. The County charges $.03 per bill for printing and additional $.02 to fold. The bills are mailed based on pre-sorted first class at a reduced rate for bulk mailing plus an additional $.035 handling charge per piece for mail automation. Based on this analysis, the City will be pursuing a contract that could save an excess of $2,000 per year.

**L. Survey comparable employers, develop meaningful cost saving proposals, and successfully negotiate collective bargaining agreements with the City's seven bargaining units when current agreements expire on June 30, 2008.**

On June 30, 2008, all eight city union-labor agreements will expire. In light of the growing financial pressures from the reduction in state-shared revenues, limits on property tax revenues and efforts to fund active and retiree benefits, these negations will be the most important in the City's history.

The negotiation process will include evaluation of the City's current and projected financial position, research into alternative benefits, survey of comparable communities, setting bargaining goals and authority in negotiation of new labor agreements. As part of the FY 2008-09 Budget, no general wage increases have been programmed.

## Combined Statement of Revenues, Expenditures and Changes in Fund Balance
## All Fund Types
## Three Year Comparison
## Fiscal Year 2008-09

| | GENERAL FUND | | | SPECIAL REVENUE/DEBT SERVICE FUNDS * | | |
|---|---|---|---|---|---|---|
| | Actual 2006-07 | Estimate 2007-08 | Budget 2008-09 | Actual 2006-07 | Estimate 2007-08 | Budget 2008-09 |
| REVENUES | | | | | | |
| Property Taxes | $ 21,666,825 | $ 22,845,529 | $ 23,296,532 | $ 199,178 | $ 228,031 | $ 243,189 |
| Licenses and permits | 772,717 | 643,020 | 629,100 | 0 | 0 | 0 |
| Intergovernmental | 4,021,601 | 3,361,076 | 3,364,928 | 4,048,215 | 4,261,533 | 3,799,652 |
| Court fines and fees | 1,713,002 | 1,779,670 | 1,655,480 | 0 | 0 | 0 |
| Charges for services | 156,654 | 194,060 | 172,610 | 0 | 0 | 0 |
| Parks and Recreation | 234,176 | 239,043 | 246,050 | 0 | 0 | 0 |
| Interest and Misc. Revenue | 2,028,392 | 1,765,567 | 1,673,161 | 616,612 | 416,162 | 383,348 |
| Special assessments | 0 | 0 | 0 | 898,376 | 365,967 | 363,381 |
| Departmental Charges | 954,059 | 1,006,480 | 989,085 | 0 | 0 | 0 |
| Transfers from other funds | 45,716 | 53,558 | 60,408 | 3,028,252 | 4,132,266 | 3,600,784 |
| TOTAL REVENUES | $ 31,593,142 | $ 31,888,003 | $ 32,087,354 | $ 8,790,633 | $ 9,403,959 | $ 8,390,354 |
| EXPENDITURES | | | | | | |
| General Government | $ 5,959,540 | $ 6,141,445 | $ 6,406,448 | $ 0 | $ 0 | $ 0 |
| Public Safety | 16,172,823 | 16,342,239 | 16,424,142 | 148,969 | 175,000 | 134,000 |
| Community Service | 3,413,470 | 3,428,790 | 3,423,583 | 0 | 0 | 0 |
| Culture and Recreation | 2,847,344 | 2,604,917 | 2,691,113 | 0 | 0 | 0 |
| Community Development | 1,036,067 | 1,186,441 | 1,149,979 | 5,461,401 | 6,255,379 | 6,736,525 |
| Community Improvement | 0 | 0 | 0 | 2,237,214 | 2,190,344 | 2,508,767 |
| Water Division | 0 | 0 | 0 | 0 | 0 | 0 |
| Sewer Division | 0 | 0 | 0 | 0 | 0 | 0 |
| W/S Support and Capital Outlay | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers out | 2,341,162 | 2,785,047 | 2,797,089 | 732,805 | 1,113,071 | 874,708 |
| Debt Service | 0 | 0 | 0 | 381,810 | 392,292 | 397,713 |
| TOTAL EXPENDITURES | $ 31,770,407 | $ 32,488,879 | $ 32,892,354 | $ 8,962,199 | $ 10,126,086 | $ 10,651,713 |
| REVENUES OVER (UNDER) EXPENDITURES | $ (177,265) | $ (600,876) | $ (805,000) | $ (171,566) | $ (722,127) | $ (2,261,359) |
| FUND BALANCES, BEGINNING OF YEAR | $ 6,683,088 | $ 6,505,823 | $ 5,904,947 | $ 10,178,060 | $ 10,006,494 | $ 9,284,367 |
| FUND BALANCES, END OF YEAR | $ 6,505,823 | $ 5,904,947 | $ 5,099,947 | $ 10,006,494 | $ 9,284,367 | $ 7,023,008 |

* Special Revenue Funds account for proceeds from revenue sources that are legally restricted for a specific purpose. These include: Major Street, Local Street, Downtown Development, Police Drug Forfeiture, Housing Commission, Community Development Block Grant, and Special Assessment Revolving Funds.

Debt Service includes the Fire Stations Bond Fund.

## Combined Statement of Revenues, Expenditures and Changes in Fund Balance
## All Fund Types
## Three Year Comparison
## Fiscal Year 2008-09

| | WATER AND SEWER FUND | | | TOTALS Memorandum Only | | |
|---|---|---|---|---|---|---|
| | Actual 2006-07 | Estimate 2007-08 | Budget 2008-09 | Actual 2006-07 | Estimate 2007-08 | Budget 2008-09 |
| REVENUES | | | | | | |
| Property Taxes | $ 0 | $ 0 | $ 0 | $ 21,866,003 | $ 23,073,560 | $ 23,539,721 |
| Licenses and permits | 0 | 0 | 0 | 772,717 | 643,020 | 629,100 |
| Intergovernmental | 0 | 0 | 0 | 8,069,816 | 7,622,609 | 7,164,580 |
| Court fines and fees | 0 | 0 | 0 | 1,713,002 | 1,779,670 | 1,655,480 |
| Charges for services | 8,489,661 | 8,777,151 | 9,151,333 | 8,646,315 | 8,971,211 | 9,323,943 |
| Parks and Recreation | 0 | 0 | 0 | 234,176 | 239,043 | 246,050 |
| Interest and Misc. Revenue | 211,636 | 115,000 | 70,000 | 2,856,640 | 2,296,729 | 2,126,509 |
| Special assessments | 0 | 0 | 0 | 898,376 | 365,967 | 363,381 |
| Departmental Charges | 29,550 | 29,550 | 29,550 | 983,609 | 1,036,030 | 1,018,635 |
| Transfers from other funds | 0 | 0 | 0 | 3,073,968 | 4,185,824 | 3,661,192 |
| TOTAL REVENUES | $ 8,730,847 | $ 8,921,701 | $ 9,250,883 | $ 49,114,622 | $ 50,213,663 | $ 49,728,591 |
| EXPENDITURES | | | | | | |
| General Government | $ 0 | $ 0 | $ 0 | $ 5,959,540 | $ 6,141,445 | $ 6,406,448 |
| Public Safety | 0 | 0 | 0 | 16,321,792 | 16,517,239 | 16,558,142 |
| Community Service | 0 | 0 | 0 | 3,413,470 | 3,428,790 | 3,423,583 |
| Culture and Recreation | 0 | 0 | 0 | 2,847,344 | 2,604,917 | 2,691,113 |
| Community Development | 0 | 0 | 0 | 6,497,468 | 7,441,820 | 7,886,504 |
| Community Improvement | 0 | 0 | 0 | 2,237,214 | 2,190,344 | 2,508,767 |
| Water Division | 2,842,666 | 2,742,838 | 2,745,933 | 2,842,666 | 2,742,838 | 2,745,933 |
| Sewer Division | 3,467,820 | 3,501,700 | 3,759,689 | 3,467,820 | 3,501,700 | 3,759,689 |
| W/S Support and Capital Outlay | 1,418,192 | 3,330,878 | 2,072,581 | 1,418,192 | 3,330,878 | 2,072,581 |
| Transfers Out | 0 | 0 | 0 | 3,073,967 | 3,898,118 | 3,671,797 |
| Debt Service | 44,559 | 835,441 | 842,665 | 426,369 | 1,227,733 | 1,240,378 |
| TOTAL EXPENDITURES | $ 7,773,237 | $ 10,410,857 | $ 9,420,868 | $ 48,505,843 | $ 53,025,822 | $ 52,964,935 |
| REVENUES OVER (UNDER) EXPENDITURES | $ 957,610 | $ (1,489,156) | $ (169,985) | $ 608,779 | $ (2,812,159) | $ (3,236,344) |
| FUND BALANCES, ** BEGINNING OF YEAR | $ 1,787,508 | $ 2,745,118 | $ 1,255,962 | $ 17,211,214 | $ 20,128,360 | $ 17,084,314 |
| FUND BALANCES, END OF YEAR | $ 2,745,118 | $ 1,255,962 | $ 1,085,977 | $ 17,819,993 | $ 17,316,201 | $ 13,847,970 |

** The Water and Sewer Fund Fund Balance (Net Assets) is affected by investment in capital assets and capital contributions which are not shown as part of revenue and expenditures.

MADISON HEIGHTS

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CITY OF PROGRESS